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LEASE - 570 SANDFORD DRIVE, NEWMARKET

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report dated August 31, 2011, from the Commissioner of Corporate Services.

1. RECOMMENDATIONS

It is recommended that:

1. The Region be authorized to enter into a lease agreement for a one year, ten-month term with Dave Wood Holdings Limited, for overflow parking space, immediately adjacent to 130 Mulock Drive offices, municipally described as 570 Sandford Drive, in Newmarket, consisting of 50 parking spots, for an average annual rent of \$36,000, excluding HST, commencing September 1, 2011.
2. The Commissioner of Corporate Services be authorized to execute the lease and any further renewal, subject to review by Legal Services.

2. PURPOSE

The purpose of this report is to obtain authorization from Council to enter into a lease agreement for additional parking for Property Services staff and visitors utilizing the facilities at 130 Mulock Drive, Newmarket.

3. BACKGROUND

The Corporate Services Department – Property Services Branch currently leases office space located at 130 Mulock Drive, Newmarket

The space currently occupied by Property Services at 130 Mulock Drive, Newmarket is a commercial building within an existing retail plaza. When the lease for 130 Mulock Drive was negotiated in February, 2010, the Region was entitled to 65 parking spots in the lease agreement. However, some of these parking spots have been deemed unusable for various reasons (snow storage, waste removal and recycling containers, etc.). To date, there is a shortfall of 20 parking spots for staff working at this office facility.

In addition, we offer a large boardroom facility with a capacity for 20 at 130 Mulock Drive for use by other Regional users. Use of this boardroom will further impact on availability of parking as this facility attracts additional staff from other locations.

A unique opportunity arose in August, 2011 that will provide Property Services with the required additional parking spots needed and will also enhance the value of this location to staff when the adjacent parking lot becomes available for lease with the current landlord.

York Region has been given a first right of refusal on this adjacent parking lot and is required to respond in a timely manner. The Region also has a first right of refusal on future office space within the existing plaza which will be available in the fourth quarter of 2011. In the event additional space is acquired within this plaza for Regional staff, the existing parking would be inadequate.

The parking lot is connected to the existing parking lot with easy access to our front entrance (see *Attachment 1*). Having this additional parking lot would be of service in accommodating immediate and future parking needs.

4. ANALYSIS AND OPTIONS

Property Services has reached a tentative agreement with the landlord for a one-year, ten-month lease at a rate of \$3,000 per month from September 1, 2011 to June 30, 2013, which coincides with the existing lease for 130 Mulock Drive. The rate of \$3,000 per month reflects a reasonable market rate for a lot with over 50 parking spaces in comparison with other paid parking lots in the Town of Newmarket.

5. FINANCIAL IMPLICATIONS

The Region will also have the option to renew the lease for an additional term of up to two years upon the same rents.

The following chart outlines the cost of leasing this parking lot:

Table 1 Lease Cost Analysis		
Lease Term One-Year, Ten-Month	Annual Base Rent	Total Annual Rent for Each Lease Term
Sept 1/11-Aug 31/12	\$36,000	\$36,000
Sept 1/12-June 30/13	\$36,000	\$30,000
Total Lease Obligation		\$66,000

6. LOCAL MUNICIPAL IMPACT

There is no direct impact to the public associated with this report.

7. CONCLUSION

This lease will satisfy the immediate parking needs of the Property Services Branch and Regional staff, in addition to accommodating some future growth in the Region's staffing requirements.

Therefore, it is recommended that the Region enter into this 22 month lease agreement as outlined in this report.

For more information on this report, please contact Barry Crowe, Director, Property Services Branch at Ext.1684.

(The attachment referred to in this clause was included in the agenda for the September 8, 2011 Committee meeting.)

